

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION
AIR QUALITY CONTROL OPERATING PERMIT
ADMINISTRATIVE AMENDMENT TO INCORPORATE
MINOR PERMIT CONDITIONS**

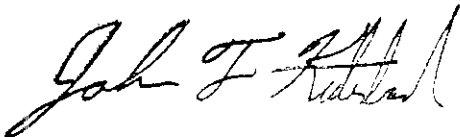
Permit No. AQ0741TVP01
Application No. 741
Revision 2: January 16, 2008

Issue Date: April 17, 2006
Expiration Date: April 16, 2011

The Department of Environmental Conservation, under the authority of AS 46.14, 18 AAC 50.326, and 40 C.F.R. 71.7(d)(1)(v) incorporates the provisions of AQ0741MSS01 Revision 1, issued August 6, 2007, into Operating Permit AQ0741TVP01 by administrative amendment.

This permit is issued to Pacific Energy Resources Ltd for the Kustatan Production Facility.

This action is a final action for the purposes of establishing an operating permit shield under 40 C.F.R. 71.7(d)(4).



John F. Kuterbach, Manager
Air Permits Program

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Changes due to Minor Permit No. AQ0741MSS01 Revision 1

The following conditions of Operating permit No. AQ0741TVP01, listed in Column 1 of this Table are replaced by the conditions of Minor Permit No. AQ0741MSS01 Revision 1 listed in Column 2.

Column 1 Operating Permit Condition	Column 2 Minor Permit Condition
Condition 1.1- Assessable emissions	New assessable emissions are 262 TPY ^a .
Table 1- Emission Unit inventory	Table 1 ^b - Emission Unit Inventory excluding storage tanks and EU10a. Insert EU 9a, Delete EU 11
Condition 3 - Visible emissions (VE) monitoring	Condition 9 ^{c,d} - Include EU 9a for VE monitoring
Condition 4 -Particulate matter (PM) monitoring	Condition 10 ^c - Include EU 9a for PM monitoring
Condition 5 - Sulfur dioxide (SO ₂) monitoring	Condition 11 ^c - Include EU 9a for SO ₂ monitoring
Condition 5.4 - Monitoring fuel oil consumption for the firewater pump	Rescinded
Condition 5.6 - Fuel gas H ₂ S monitoring	Rescinded
Condition 5.7 - Calculating fuel consumption	Rescinded
Condition 5.8 - Calculating and recording SO ₂	Rescinded
Condition 5.9 - Recordkeeping fuel gas H ₂ S content	Rescinded
Condition 5.10 - Reporting fuel gas H ₂ S content	Rescinded
None	Condition 2- New condition to establish and maintain an ambient boundary
Condition 6 and Table 2 - Fuel oil sulfur limit and monitoring	Condition 3.1- Revised to 0.5 percent fuel oil sulfur content (from 0.25 percent)
Table 2-Fuel gas H ₂ S limit for turbines, heaters and flare	Rescinded
Condition 6.1-Monitoring fuel sulfur	Conditions 3.1.1, 3.1.2, 3.1.2.1, 3.1.2.2, 3.1.3 and 3.2
Condition 7.1- Monitoring firewater pump hours	Rescinded
Condition 7.3 - Recording VOC for wet gas service	Rescinded
Condition 7.2 – Monitoring and recording gas flared in EU 10	Condition 5.5 – Use flow totalizers accurate to ±10%
Condition 7.6- Reporting operating hours for EU 9 (firewater pump) and reporting fuel burned in EU 10 ^c (flare)	Conditions 5.6, 5.6.1 and 5.6.2 for reporting gas flared in EU 10 and reporting CO emissions for EUs 1, 2 and 2a. Reporting operating hours for EU 9 rescinded
Table 3- Load limits for 1, 2 and 2a	Conditions 4.1, 4.1.1 and 5.3
Table 3- EU 9 (firewater Pump) 208 hour operational limit	Rescinded
Table 3- EU 10 (flare) fuel consumption limit	Condition 5.2 - New limit of 70 MMscf (from 38.7 tpy)
Table 3- Facility wide VOC monitoring	Rescinded
Condition 8.1-Calculating NO _x and CO	Condition 4.2, 4.2.1 and 5.4.2
Condition 8.1a -Verifying NO _x and CO emission factors	Condition 4.2.2
Conditions 8.1b, 8.1b(i), 8.1b(i)(A)&(B), 8.1b(ii)(A)&(B), 8.1c, 8.1d and 8.1e-Monitoring for EUs 3-8	Rescinded
Condition 8.3-Reporting NO _x and CO for EUs 1-8	Condition 4.2.3 and 5.6.1 – Reporting NO _x and CO for EUs 1, 2 and 2a. Reporting for EUs 3-8 rescinded
Condition 8.4-Monitoring VOC in process valves, flanges etc	Rescinded
Table 4- NO _x limit for EU 1, 2 and 2a (turbines)	Conditions 4.1.2 -Revised to 55 tpy (from 149 tpy)

Table 4-NO _x limit for EUs 3-8 (heaters and heater treaters)	Rescinded
Table 4-CO limit for EUs 1, 2 and 2a (turbines)	Condition 5.1- Revised to 136 tpy (from 150 tpy combined total for EUs 1-8)
Table 4-CO limit for EUs 3-8 (heaters and heater treaters)	Rescinded
Table 4- CO emissions EU 10 (flare)	Rescinded
Table 4 -VOC limit for process valves, flanges, compressors and open ended lines	Rescinded
Condition 9, 9.1, 9.2, 9.3 and 9.4- Monitoring SO ₂ emissions	Rescinded
Condition 8.1a – Source testing EUs 1, 2 and 2a to verify NO _x and CO emission rates	Condition 5.4 and 5.4.1
None	Condition 5.4.2 - New EU 1, 2 and 2a, CO monitoring
None	Condition 4.4 - New hour limit for backup generator (EU 9a)
None	Condition 4.5 - New condition for monitoring backup generator (EU 9a) hours
None	Condition 4.6 - New condition for reporting hours of operations for EU 9a

Notes:

^a The assessable emissions for Minor Permit AQ0741MSS01 Rev. 1 is shown in Table 2-1 of the Technical Analysis Report for the permit.

^b The storage tanks and space heaters (EU10a) listed in Table 1 of the minor permit are insignificant emission units under 18 AAC 50.326(e) for Title V monitoring. These units will not be listed in the operating permit.

^c EU 10a is listed in Conditions 9, 10 and 11 of the minor permit subject to VE, PM and SO₂ standards. Unit 10a will not be included for Title V monitoring.

^d The “more than three minutes in any one hour” listed in Condition 9 of the minor permit and Condition 3 of the operating permit is no longer effective since the Air Quality Control Package is now adopted by the U.S. EPA.

^e Condition 7.6 of Permit No. AQ0741TVP01, erroneously referenced EU8 (Crude oil heater) instead of EU 10 (Process flare) required to report gas flared. Conditions 5.5, 5.6 and 5.6.2 in the minor permit will replace Condition 7.6 of Permit No. AQ0741TVP01 and will eliminate the error.